Finance Business Transformation Project

Major Capital Project Plan

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OBJECTIVES OF THE PROJECT

PROJECT OBJECTIVE

The project under consideration in this Major Capital Project Plan is the Finance Business Transformation (FBT) project. The FBT project involves transforming the BC Hydro finance function by implementing streamlined processes and state-of-the-art financial and management systems (including PeopleSoft technology), to increase information analysis capabilities and the responsiveness of BC Hydro to its business environment. FBT is part of the larger Integrated Packaged Program (IPP) initiative being implemented across BC Hydro. The project is scheduled to be completed in April 2003.

COSTS AND BENEFITS OF THE PROJECT

COSTS

In 1999, the Board of Directors at BC Hydro approved a project with a budget of $45.1 million. In October 2002, the Board Of Directors approved an additional $16.4 million to complete the project, for a total project budget of $61.5 million.

BENEFITS

The FBT project is expected to deliver significant benefits to BC Hydro through cost avoidance, process efficiencies and strategic benefits related to the provision of improved availability and flexibility of information for decision-making.

BC Hydro recently entered into a Memorandum of Discussion (MOU) to enter into a joint venture with Accenture. A direct implication to FBT is that responsibility for the Peoplesoft financial systems will be transferred to Accenture with an expectation of further scale and efficiency benefits.

PROJECT RISKS

The FBT project is at a mature state of development, and the project team has put in place strong project risk management practices and controls in accordance with BC Hydro standards, to manage and mitigate the majority of project risks through professional project managers. As well, there is active senior executive oversight and governance of the project, supported by periodic risk diagnostics to assess and address significant project issues.